



Foreign Agricultural Service

**GAIN Report**

Global Agriculture Information Network

Voluntary Report - public distribution

Date: 4/10/2003

GAIN Report #CH3027

# **China, Peoples Republic of**

## **Grain and Feed**

### **Corn and Wheat Update**

### **2003**

Approved by:

**Larry Senger**

**U.S. Embassy, Beijing**

Prepared by:

John Wade/Jiang Junyang

---

**Report Highlights: Corn exports continue. Wheat and corn imports remain minimal. Cool temperatures hold back early wheat development. Corn planted area expected down in 2003, but the percentage decline in wheat area will be even greater.**

---

Includes PSD changes: Yes  
Includes Trade Matrix: No  
Unscheduled Report  
Beijing [CH1], CH

## **Situation and Outlook**

Despite rumors of pending changes in policy, China's export subsidies for corn appear to continue as usual. February corn exports were a near-record 1.7 MMT. Export sales are now being reported for well into the third quarter of 2003. Latest sales have been about \$105/MT FOB N.E. China, the range typical of the last several months. Domestic grain prices have risen in recent months, but this appears, to a large extent, to be a seasonal adjustment. Prices for both wheat and corn remain less than 5 percent higher than levels a year ago. The Government's continued enthusiasm for export subsidies and the relatively stable price situation tends to argue that the Chinese grain market has not materially changed. China's grain stocks remain large and the country still has a considerable way to go before they are reduced to acceptable levels.

Weather for the winter wheat crop appears below normal. Growth has been delayed because of cold spring weather. Also, as noted in previous reports, it appears that total wheat area will again be down this year--according to some reports by as much as 5 percent. Corn planted area is also expected to fall slightly as soybean in particular becomes more attractive as an alternative.

PSD Table						
Country	China, Peoples Republic of					
Commodity	Wheat				(1000 HA)(1000 MT)	
	2001	Revised	2002	Estimate	2003	Forecast
	USDA Official[Old]	Post Estimate[New]	USDA Official[Old]	Post Estimate[New]	USDA Official[Old]	Post Estimate[New]
Market Year Begin		07/2001		07/2002		07/2003
Area Harvested	24664	24664	23500	23500	0	22800
Beginning Stocks	91877	95155	76588	83608	61174	68908
Production	93873	93873	91000	91000	0	88000
TOTAL Mkt. Yr. Imports	1092	1092	700	500	0	500
Jul-Jun Imports	1092	1092	700	500	0	500
Jul-Jun Import U.S.	221	228	0	100	0	0
TOTAL SUPPLY	186842	190120	168288	175108	61174	157408
TOTAL Mkt. Yr. Exports	1512	1512	1500	1200	0	1200
Jul-Jun Exports	1512	1512	1500	1200	0	1200
Feed Dom. Consumption	9000	12000	7000	12000	0	12000
TOTAL Dom. Consumption	108742	105000	105614	105000	0	104000
Ending Stocks	76588	83608	61174	68908	0	52208
TOTAL DISTRIBUTION	186842	190120	168288	175108	0	157408

PSD Table						
Country	China, Peoples Republic of					
Commodity	Corn				(1000 HA)(1000 MT)	
	2001	Revised	2002	Estimate	2003	Forecast
	USDA Official[Old]	Post Estimate[New]	USDA Official[Old]	Post Estimate[New]	USDA Official[Old]	Post Estimate[New]
Market Year Begin		10/2001		10/2002		10/2003
Area Harvested	24282	24282	24500	24500	0	24300
Beginning Stocks	83127	87127	68654	72616	59754	61666
Production	114088	114088	125000	123000	0	122000
TOTAL Mkt. Yr. Imports	50	12	100	50	0	50
Oct-Sep Imports	50	12	100	50	0	50
Oct-Sep Import U.S.	20	0	0	0	0	0
TOTAL SUPPLY	197265	201227	193754	195666	59754	183716
TOTAL Mkt. Yr. Exports	8611	8611	12000	12000	0	12000
Oct-Sep Exports	8611	8611	12000	12000	0	12000
Feed Dom. Consumption	93000	93000	95000	95000	0	97000
TOTAL Dom. Consumption	120000	120000	122000	122000	0	124000
Ending Stocks	68654	72616	59754	61666	0	47716
TOTAL DISTRIBUTION	197265	201227	193754	195666	0	183716